

Message Text

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TAGS: CFED, SZ

SUBJECT: JUSTICE/SEC CASE V. CAPPETRO INC.

REF: (A) STATE 305005; (B) BERN 5851

1. JUSTICE DEPARTMENT PROVIDES FOLLOWING ADDITIONAL BACK-
GROUND AND QUESTIONS IT WISHES TO POSE GOS IN ABOVE CASE.

2. ON DECEMBER 15, 1976, AN INFORMATION WAS FILED BY THE
UNITED STATES ATTORNEY, DALLAS, TEXAS, CHARGING HEINZ
JURGEN HESSE WITH VIOLATIONS OF CRIMINAL FRAUD STATUTES.
HE IS PRESENTLY IN JAIL SINCE HE COULD NOT POST THE
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200,000 DOLLAR BOND. THE UNITED STATES ATTORNEY FILED THE
INFORMATION ON THAT DATE BECAUSE OF A CONCERN THAT HESSE
WOULD FLEE TO AVOID PROSECUTION. JUSTICE DEPARTMENT IS
REQUIRED BY STATUTE TO PRESENT THIS MATTER TO A GRAND
JURY AND OBTAIN AN INDICTMENT BEFORE FEB. 15, 1977.

3. ALL INVESTORS IN CAPPETRO, INC. ARE EUROPEAN AND A LARGE NUMBER APPEAR TO BE SWISS RESIDENTS AND/OR NATIONALS AT PRESENT JUSTICE DEPARTMENT DOES NOT HAVE ANY INVESTOR WITNESSES TO SUPPORT ITS PROSECUTION AND TO TESTIFY AS VICTIMS ON SPECIFIC TRANSACTIONS WHICH WILL BE THE BASIS FOR THE CHARGES IN THE INDICTMENT. JUSTICE

DEPARTMENT NEEDS TO CONTACT PROSPECTIVE WITNESSES, INTERVIEW THEM, AND OBTAIN DOCUMENTS FROM THEM AS SOON AS POSSIBLE IN ORDER TO PREPARE FOR PRESENTING THIS CASE TO THE GRAND JURY. IT IS ANTICIPATED THAT THE CASE WILL GO TO TRIAL IN EARLY MARCH, 1977.

4. JUSTICE DEPARTMENT IS AWARE OF SECTION 271 OF THE SWISS FEDERAL CRIMINAL CODE AND REQUESTS GOS PERMISSION TO CONDUCT INTERVIEWS OF PROSPECTIVE WITNESSES IN SWITZERLAND. JUSTICE IS AGREEABLE TO ANY CONDITIONS THE SWISS WISH TO IMPOSE.

5. JUSTICE DEPARTMENT WISHES TO KNOW:

(A) THE EXTENT TO WHICH THE SWISS GOVERNMENT WILL BE ABLE TO ASSIST IN CONTACTING AND INTERVIEWING APPROPRIATE WITNESSES FOR THE CRIMINAL FRAUD CASE;

(B) WHETHER JUSTICE DEPARTMENT CAN CONDUCT INTERVIEWS IN SWITZERLAND, AND, IF SO, UNDER WHAT CIRCUMSTANCES;

(C) WHETHER THE SWISS HAVE ANY SUGGESTIONS WITH REGARD TO THE SELECTION AND INTERVIEWING OF WITNESSES IN THE LIMITED OFFICIAL USE

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MOST EXPEDITIOUS MANNER; AND

(D) WHETHER THE SWISS HAVE ANY INFORMATION WHICH WOULD ASSIST IN THE PROSECUTION OF THIS CASE.

6. EMBASSY SHOULD RAISE ABOVE WITH FDJP AND REPORT.

ROBINSON.

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